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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-817]

Oil Country Tubular Goods from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review; 2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain producers and exporters of oil country tubular goods (OCTG) from the Republic of Turkey (Turkey) received countervailable subsidies during the period of review (POR) January 1, 2016, through December 31, 2016. Interested parties are invited to comment on these preliminary results.

DATES: Applicable: October 11, 2018.

FOR FURTHER INFORMATION CONTACT: Aimee Phelan, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0697.

SUPPLEMENTARY INFORMATION:

Background

On September 1, 2017, Commerce published a notice of opportunity to request an administrative review of the CVD order on OCTG from Turkey for the period January 1, 2016,

through December 31, 2016.¹ On September 29, 2017, Commerce received a review request from Maverick Tube Corporation and TenarisBayCity (domestic interested parties), for the following seven exporters and/or producers of subject merchandise: 1) Borusan Mannesmann Boru Sanayi ve Ticaret A.S., 2) Borusan Istikbal Ticaret, 3) Cayirova Boru San A.S., 4) Cayirova Boru Sanayi ve Ticaret A.S., 5) HG Tubulars Canada Ltd., 6) Yucel Boru Ihracat ve Pazarlama A.S., and 7) Yucelboru Ihracat, Ithalat.² On October 2, 2017, Borusan submitted a letter to Commerce requesting a review of itself.³ On November 13, 2017, Commerce published a notice of initiation of an administrative review for this CVD order.⁴ Commerce postponed the deadline for issuing the preliminary results of this administrative review to October 3, 2018.⁵

Scope of the Order

The merchandise covered by the order is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 82 FR 41595 (September 1, 2017).

² See Letter from Maverick Tube Corporation and TenarisBayCity, “Oil Country Tubular Goods from Turkey: Request for Administrative Review,” dated September 29, 2017. The domestic interested parties also requested a review of Tosyali Dis Ticaret A.S, Toscelik Profil ve Sac Endustrisi A.S., Tosyali Elektrik Enerjisi Toptan Satis, Ith. Ihr. A.S., Tosyali Demir Celik San.A.S., and Tosyali Holding A.S. (collectively, Toscelik). However, on October 5, 2017, Commerce published an amendment to the CVD order to exclude Toscelik. Thus, Commerce did not initiate an administrative review of Toscelik. See *Oil Country Tubular Goods from the Republic of Turkey: Amendment of Countervailing Duty Order*, 82 FR 46483 (October 5, 2017).

³ See Letter from Borusan, “Oil Country Tubular Goods from Turkey, Case No. C-489-817: Request for Countervailing Duty Administrative Review,” dated October 2, 2017. In the investigation, Commerce determined that Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and Borusan Istikbal Ticaret are cross-owned and applied a single CVD rate to both companies. See *Certain Oil Country Tubular from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 41964 (July 18, 2014), and accompanying, Issues and Decisions Memorandum (IDM) at 4-5.

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 52268 (November 13, 2017).

⁵ See Memorandum re: “Extension of Deadline for Preliminary Results,” dated August 29, 2018.

limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the order also covers OCTG coupling stock. A full description of the scope of the order is contained in the Preliminary Decision Memorandum, which is hereby adopted by this notice.⁶

Methodology

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.⁸ The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. A list of topics discussed in the Preliminary Decision Memorandum is provided in the Appendix to this notice.

⁶ See Memorandum re: “Decision Memorandum for the Preliminary Results of 2016 Countervailing Duty Administrative Review: Oil Country Tubular Goods from the Republic of Turkey,” dated concurrently with this notice (Preliminary Decision Memorandum).

⁷ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

Preliminary Results of the Review

We preliminarily determine the following net countervailable subsidy rate for the mandatory respondent, Borusan, for the period January 1, 2016, through December 31, 2016:

Company	Net Subsidy Rate <i>Ad Valorem</i>
Borusan Mannesmann Boru Sanayi ve Ticaret A.S., and Borusan Istikbal Ticaret ⁹	0.66 percent

Assessment Rates

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount shown above for Borusan, with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties in this review the calculations performed in reaching the preliminary results within five days of publication of these preliminary results.¹⁰ Interested

⁹ Commerce has determined that Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and Borusan Istikbal Ticaret are cross-owned. See Preliminary Decision Memorandum.

parties may submit written comments (case briefs) on the preliminary results no later than 30 days from the date of publication of this *Federal Register* notice, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.¹¹ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹² All briefs must be filed electronically using ACCESS.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.¹³ Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Issues addressed at the hearing will be limited to those raised in the briefs. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.¹⁴ Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h), unless this deadline is extended.

¹⁰ See 19 CFR 351.224(b).

¹¹ See 19 CFR 351.309(c)(1)(ii); 351.309(d)(1); and 19 CFR 351.303 (for general filing requirements).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

¹³ See 19 CFR 351.310(c).

¹⁴ See 19 CFR 351.310(d).

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: October 3, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
Performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.</SIG>

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation Information
- V. Analysis of Programs
- VI. Recommendation

[FR Doc. 2018-22129 Filed: 10/10/2018 8:45 am; Publication Date: 10/11/2018]